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DEPARTMENT FOR EAP, EAP/CM NSC FOR DENNIS WILDER

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SUBJECT: HONG KONG BY-ELECTION: DEARTH OF POLITICAL TALENT

REF: HONG KONG 02202

Classified By: E/P Section Chief Laurent Charbonnet; Reasons 1.4 (b, d)

- (C) Summary: Interest in the December 2 by-election to fill the Legislative Council (Legco) seat vacated by the death of DAB Chairman Ma Lik has intensified since his August 24 funeral. The various pan-democratic parties have agreed on a mechanism to select a single candidate, although the possibility of former Hong Kong Government Chief Secretary Anson Chan running, as well as the exit from the campaign of former Legco member Cyd Ho, have complicated the process. The pan-democrats hope to decide on their candidate by early October. Former Secretary for Security Regina Ip, possibly hoping to set the stage for a run for Chief Executive in 2012, is the most likely pro-government and pro-Beijing candidate. She has met privately to solicit support from leaders of both the Liberal Party (LP) and the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), and she is widely viewed as Beijing's candidate of choice. The DAB, however, may wish to field its own candidate, in which case the LP would support that person. Public opinion polls suggest that only Chan could defeat Ip in a two-way race. One Civic Party contact bemoaned the pan-democrats' "dearth of political talent" and was pessimistic they could defeat Ip if Chan did not run. End Summary.
- 12. (C) Comment: The by-election is politically symbolic and important, and its outcome could have a significant impact on both the "green paper" political reform process and next year's Legco general election. The by-election campaign also could help all the parties build support for their candidates in the November 18 district council elections. The pan-democrats may be taking a major risk when they characterize the by-election as "democracy versus non-democracy," especially if Anson Chan declines to run, because without her they may be unable to defeat the "non-democracy" icon Ip. They nevertheless want to use the by-election to boost their campaign for universal suffrage in 2012, which thus far has not gathered momentum. The stakes may be somewhat smaller for the pro-government parties, although obviously they want to retain Ma Lik's Legco seat. End Comment.
- 13. (SBU) The August 8 death of DAB legislator Ma Lik (ref) created an immediate vacancy from Legco's Hong Kong Island constituency. The Electoral Affairs Commission has scheduled a by-election for December 2, the winner of which will serve an eight-month term until the September 2008 Legco general election. An intense public discussion of possible candidates for Ma's seat began almost immediately after his death, then picked up steam following the August 24 funeral.

Pan-democrats: Who Will Run?

- 14. (SBU) Even before Ma's funeral, at least three pan-democrats had expressed interest in contesting the election. Former Democratic Party (DP) Legco member Cyd Ho quickly announced she would run as an independent democrat, hopefully with support from the other democratic parties, and appeared to have the inside track. Some democrats felt they owed her their support because a strategy blunder by the DP had cost the incumbent Ho her seat in 2004. Former talk show host Raymond Wong Yuk-man of the leftist League of Social Democrats (LSD) also quickly indicated he might run, as did DP district councilor Kam Nai-wai, who since then has gained the DP's endorsement as its candidate in the pan-democratic selection process. Two other LSD members and former legislators, Lo Wing-lok and Tsang Kin-shing, appeared interested in the race. The Civic Party, with six current Legco members, said it probably would support Ho.
- 15. (SBU) With no obvious leader, the pan-democrats decided to establish a clear, democratic and transparent mechanism to select a single candidate. On September 3, they finally agreed on a three-part formula: 50 percent from a public opinion poll, 35 percent through votes by ten pan-democratic organizations, and 15 percent from votes by the 28 pan-democratic district councilors in the Hong Kong Island constituency. Negotiators from all the democratic parties agreed to the outcome of the mechanism. The formal process is scheduled to begin September 23, with the result announced in early October.

Chan Undecided, Ho Drops Out

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16. (SBU) In the meantime, however, several democratic leaders, including DP founder and legislator Martin Lee, decided that none of their announced candidates could defeat Ip, so they began to lobby retired Hong Kong Government Chief Secretary Anson Chan to enter the race. Chan's immediate

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reaction was that she was "not keen" to run, but she agreed to give the idea further consideration and discuss it with her "Core Group" of advisors. Some of the more leftist democrats, such as Emily Lau, Frederick Fung, and Leung Yiu-chung, were not eager for Chan to become their candidate and argued for preservation of the agreed selection mechanism. As of September 7, Chan had not issued a firm decision, but most observers believe she is unlikely to join the race.

- 17. (C) On September 3, Cyd Ho unexpectedly announced that she would not run for the Legco seat. The press speculated that she had been "back-stabbed" by some of the pan-democrats, who believed she would be unable to defeat Ip. She also had been criticized for her suggestion that people should withhold tax payments as a means to press for universal suffrage, and one Liberal Party district council member had revived an old semi-scandal about her academic records. Publicly, Ho merely said she was quitting the race to maximize the pan-democratic camp's chances for victory in the by-election. She told us on September 4 that she had "cleared the way" for Anson Chan to run because Chan was the "best hope" and the pan-democrats "cannot lose this battle."
- 18. (C) On September 7, Civic Party Secretary General Joseph Cheng dejectedly told us that Chan probably would not run and that neither the DP's Kam nor anyone from the LSD would be able to defeat Ip. Former ICAC Commissioner Lily Yam, a member of Anson Chan's Core Group recently rumored to be under consideration, also was not interested. Cheng said the Civic Party itself did not have any strong candidates: neither media commentator Claudia Mo nor solicitor Tanya Chan, both of whose names had been floated in the press, was

ready or willing to contest the by-election. Mo was preparing to run in the Kowloon West constituency in 2008 and would not want to switch to Hong Kong Island, while the party hoped to pair Chan with incumbent leader Audrey Eu to win two seats from Hong Kong Island in 2008. Were Mo or Chan to contest the by-election, a loss to Ip would seriously damage their public images and future political careers. Cheng bemoaned the pan-democratic camp's "dearth of political talent."

Pro-Government: Regina Ip the Front-runner

19. (SBU) Regina Ip clearly is the most likely pro-government and pro-Beijing candidate, although she has yet formally to announce her candidacy. Some political commentators believe Ip wants to win the Legco seat to set the stage for a run for Chief Executive in 2012. Ip has no known party affiliation, but she has met privately with leaders of both the LP and the DAB and is widely viewed as Beijing's candidate of choice. LP Chairman James Tien said his party would not field its own candidate and would support Ip as long as the DAB did not offer its own candidate. On August 26 DAB founder Jasper Tsang, while noting there was "very good room for

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cooperation" with Ip, declined to throw his party's support to her, citing a need to canvass the DAB for any suitable candidates. Tsang said each candidate's "chances for success" should be the primary selection criterion.

110. (C) As of September 7, however, the DAB still was not ready to openly back Ip. DAB Vice Chairman Greg So told us that press reports alleging DAB support for Ip at this time were "not accurate." He said the party was actively looking for its own candidate, although they did not rule out supporting a "like-minded" person from outside the DAB. So noted that some party members, including newly elected chairman Tam Yiu-chung, strongly believed that the DAB should field one of its own for the election. So said they would decide by the end of September.

Polls: Only Chan Could Beat Ip?

11. (SBU) A late August poll by the independent "Ming Pao" newspaper found that Ip would defeat any of her likely opponents, including Ho (by 50 to 34 percent) and Wong (by 56 to 30 percent). After the possibility of an Anson Chan candidacy appeared, however, a Hong Kong University poll commissioned by and published in the "Apple Daily" on September 7 indicated Chan would defeat Ip by 52 percent to

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32 percent.

Cunningham